

THREE-DIMENSIONAL TRADEMARK 'Vespa' case study

© 2021 Avv. Barbara La Tella & Dott.ssa Elena Monte

Zhejiang Zhongneng Industri Group Co. Ltd (ZNEN)

v.

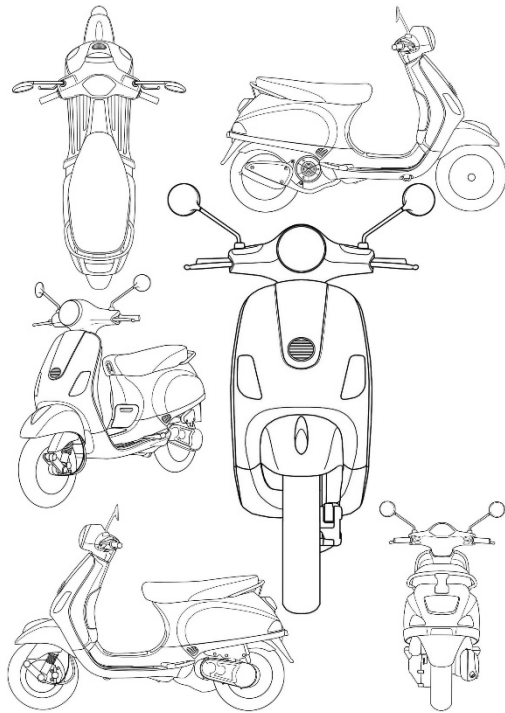
Piaggio & C. SpA

Italian-Chinese dispute:

- Criminal proceedings
- Civil proceedings
- EUIPO

Piaggio & C. SpA

- Manufacturing and marketing of motorcycles and scooters, including the iconic «Vespa»
- Italian three-dimensional trademark no. 0001556520 for “shape of scooter” for classes 12 (scooters) and 28 (scale model of scooter), registered on 29 August 2013;
- Priority date of 25 March 2013, European community three-dimensional trademark no. 011686482



Piaggio & C. SpA



EU three-dimensional TM
no. 011686482;
Italian three-dimensional TM
no. 0001556520

Piaggio's iconic «Vespa» LX



ZNEN



«Cityzen» model

«Revival» model



«Ves» model

Origin of the dispute

EICMA trade fair – November 2013

- Piaggio filed a complaint with the Fiscal Police against ZNEN: citing Italian and EU three-dimensional trademark infringement
- Seizure of ZNEN's «Cityzen», «Revival» and «Ves» models, exhibited at the trade fair

Civil proceedings – Court of Torino – Judge Pres. Vitro

Further to the seizure at the EICMA tradefair, in 2014 ZNEN filed a civil action against Piaggio.

Requested relief:

- (i) A declaration of non-infringement of Piaggio's three-dimensional trademarks;

- (ii) A declaration of invalidity of Piaggio's Italian three-dimensional trademark no. 0001556520

Civil proceedings – Court of Torino – Judge Pres. Vitro

ZNEN arguments:

- (i) Piaggio's three-dimensional trademarks are not infringed based on:
- No similarity between ZNEN's and Piaggio's scooters or registrations;
 - Prudent customer, distinctive function of the word trademark, not of the shape;
 - Existence of other scooters on the market with similar characteristics

Civil proceedings – Court of Torino – President Vitro

(ii) Piaggio's Italian three-dimensional trademark no. 0001556520 is invalid, based on:

- Lack of novelty, because the trademark is anticipated by ZNEN models (art. 12 i.p.c.);
- Lack of distinctive character, because of basic shapes and feature, typical of scooters (art. 12 i.c.p.), and vulgarisation (artt. 13.4 e 26 i.c.p.);
- Standard shape of the scooter, shape dictated by a technical-functional point of view and giving substantial value to the product (art. 9 i.p.c.)
- Trademark registration in bad faith (art. 19 i.p.c.)

Civil proceedings – Court of Torino – Judge Pres. Vitro`

Counterclaims by Piaggio:

- (i) Trademark infringement by the three ZNEN models
- (ii) Copyright infringement of the «Vespa» model
- (iii) Unfair competition on the grounds of confusion, misappropriation of merits and commercial misconduct

Civil proceedings – Court of Torino – Judge Pres. Vitro

Decision no. 1900/2017 dated 17 March 2017

- (i) Confirms the validity of Piaggio's Italian three-dimensional trademark no. 0001556520;
- (ii) Declares that the ZNEN «Ves» model is liable for trademark infringement, copyright infringement and unfair competition

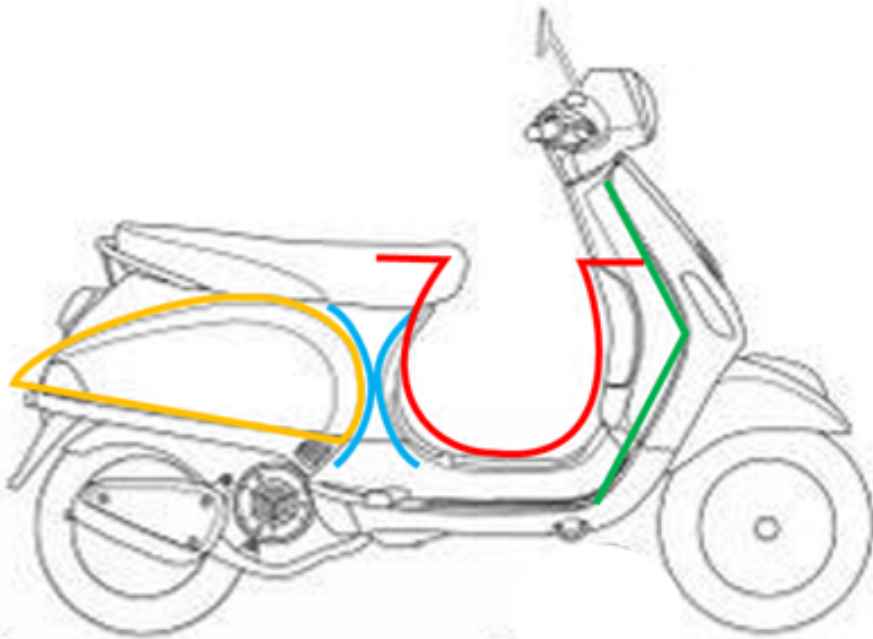
*** Crucial to the decision: role of the Court Technical Expert (CTE)**

Civil proceedings – Court of Torino – Judge Pres. Vitro

Decision: the validity of Piaggio's trademark

- **No lack of novelty:** the registered trademark enjoys the priority of a previous model, the Vespa LX, dating back to 2005 (no anticipation by ZNEN)
- **Pre-use** of Piaggio, notorious prior use;
- **Distinctiveness**, the essential features have remained the same since the first model dated 1945.

Distinctive features of Piaggio's three-dimensional trademark

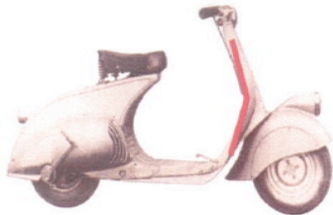


- **Arrow-shaped** front shield profile;
- The inverted **Ω** between the saddle and the front shield;
- The **X** between the lower edge of the saddle and the rear fairing;
- Cheek of the rear bodywork shaped like an elongated **teardrop** (identified by the CTE)

Arrow-shaped front shield profile

Modelli storici

Vespa MP6 1946



Vespa GS 1956



Vespa ET2 1990



Vespa ET4 1996



Modelli più recenti

Vespa GT 2003



Vespa LX 2005



Vespa 946 2011



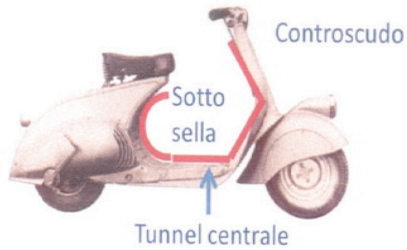
Vespa Primavera 2013



The inverted Ω

Modelli storici

Vespa MP6 1946



Vespa GS 1956



Vespa ET2 1990



Vespa ET4 1996



Modelli più recenti

Vespa GT 2003



Vespa LX 2005



Vespa 946 2011



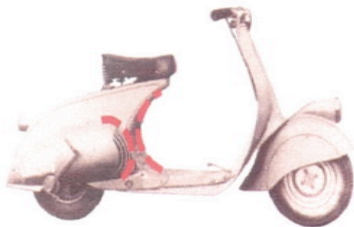
Vespa Primavera 2013



... unchanged since 1945 - The X between the saddle and the front shield

Modelli storici

Vespa MP6 1946



Vespa GS 1956



Vespa ET2 1990



Vespa ET4 1996



Modelli più recenti

Vespa GT 2003



Vespa LX 2005



Vespa 946 2011



Vespa Primavera 2013



« It is therefore considered that the distinctive character of Piaggio's registered trademark derives from the constant presence, in Vespa scooters, of four individualising features, since their origin (1945).

These four characteristics identify the overall shape of the Vespa covered by the registered three-dimensional trademark, and constitute its «heart», clearly visible (even by the mere examination of the registered drawings) and original, and distinguish it from other scooters into the market, determining its traceability to the manufacturer Piaggio»

Civil proceedings – Court of Torino – Judge Pres. Vitro

Decision: the validity of Piaggio's trademark

- **Vulgarisation excluded:** to be assessed with reference to models on the Italian market (no relevance of out-of-production models, e.g. Lambretta)
- **Great popularity of the Vespa**, confirmed by a demoscopic survey that demonstrated high recognisability by Italian customers
- **Bad faith excluded:** trademark used since 1945

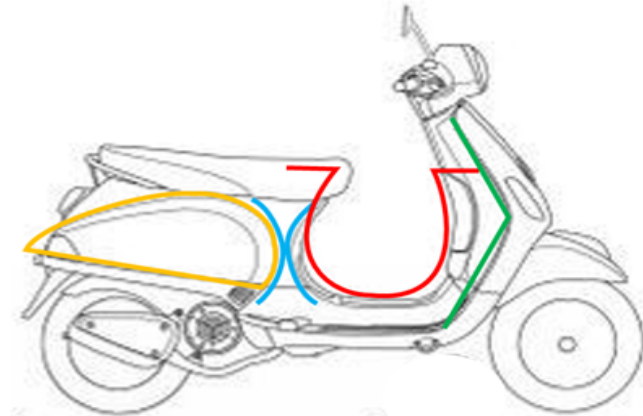
Civil proceedings – Court of Torino – Judge Pres. Vitro

Decision: the validity of Piaggio's trademark

- **Excluded all the cases set forth in art. 9 i.p.c.:**
 - (i) Shape imposed: not the only possible shape; there are scooters without at least 1 of the Vespa features;
 - (ii) Shape required to obtain a technical result: same result without the reproduction of the arrow, the inverted omega or the x
 - (iii) Shape giving substantial value: the Piaggio design is not the only element that drives the purchase (price, fuel consumption, technical characteristics,...)

Civil proceedings – Court of Torino – Judge Pres. Vitro`

Decision – Piaggio's trademark infringement



«Ves» model: the overall impression recalls the characteristics of the Vespa; reproduces elements that are not distinctive (mirrors, seat profile, mudguard); name recalling the «Ves-pa».

Finding: Infringement and unfair competition

Civil proceedings – Court of Torino – President Vitro

Decision: Copyright

**The Vespa was born as a piece of industrial design, art.
2.10 Italian copyright law.**

Has received countless accolades over the years (MOMA, publications, exhibitions, prizes, awards, presentations, movies, advertising, photographs, articles,...), symbol of Italian culture

«The shape of the Vespa,..., undoubtedly began as an object of industrial design. However, over the decades, it has acquired so much appreciation from the artistic (and not merely industrial) world, which has greatly celebrated its creative and artistic qualities, that it has become an icon symbol of Italian costume and artistic design... These multiple and exceptional recognitions by numerous important cultural institutions, which include the Vespa among the most relevant expressions of design, confirm its creative character and artistic value"».

Creative character and artistic value acquired ex post - sufficient

«Copyright is not considered to protect only an industrial design which, in the author's mind, should have had a creative character from the outset and was also conceived for artistic purposes. A work of industrial design may come into being as a mere external technical form of an industrial medium and subsequently acquire, through the collective recognition by the market and artistic circles, an artistic value which goes beyond its original merely technical and functional value».

Civil proceedings – Court of Appeal of Turin

2017 – ZNEN appealed against the first instance decision of the Court of Turin:

- (i) Procedural objections;
- (ii) Arguments on the merits similar to those made at first instance

Appeal dismissed in its entirety by the Court of Appeal, which upheld the conclusions reached by the Court of First Instance

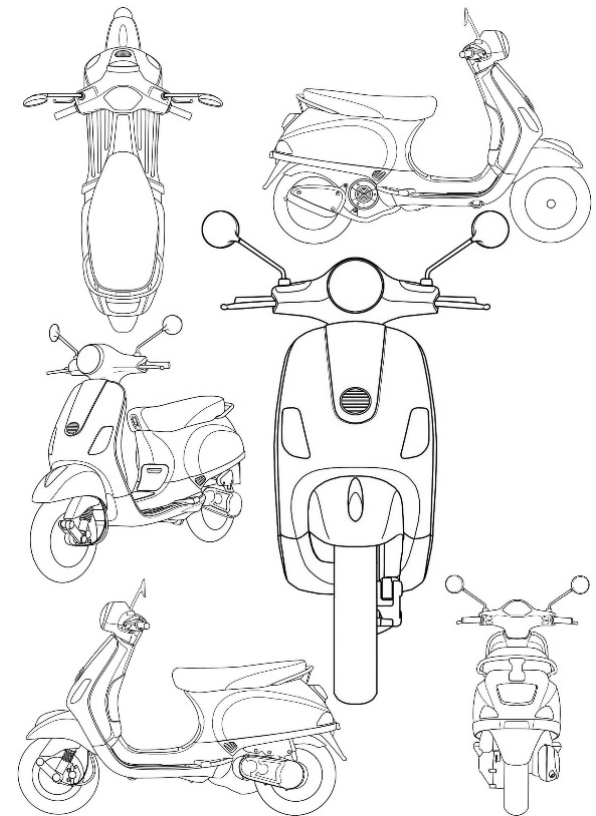
Civil proceedings – Court of Cassation

2019 – ZNEN appeals to the Supreme Court of Cassation.

...Ongoing

EUIPO – Invalidation Action 00009295 C

Further to the seizure at the EICMA trade fair, in 2014 ZNEN filed an application for a declaration of invalidity against European Union trademark No. 11 686 482



EUIPO – Invalidity Action 000009295 C

Relative grounds:

- Absence of novelty, trademark anticipated by the design
Revival of Znen (art. 60.2.d RMUE)

Absolute grounds:

- lack of distinctive character (art. 7.1.b RMUE)
- shape necessary to obtain a technical result (art. 7.1.e.(ii) RMUE)
- shape that gives a substantial value to the product (art. 7.1.e.(iii) RMUE)
- bad faith at the time of filing (art. 59.1.b RMUE)

EUIPO - Invalidity Action

Decision No. 000009295 C of 21/12/2020

Application for a declaration of invalidity against European
Union No. 11 686 482

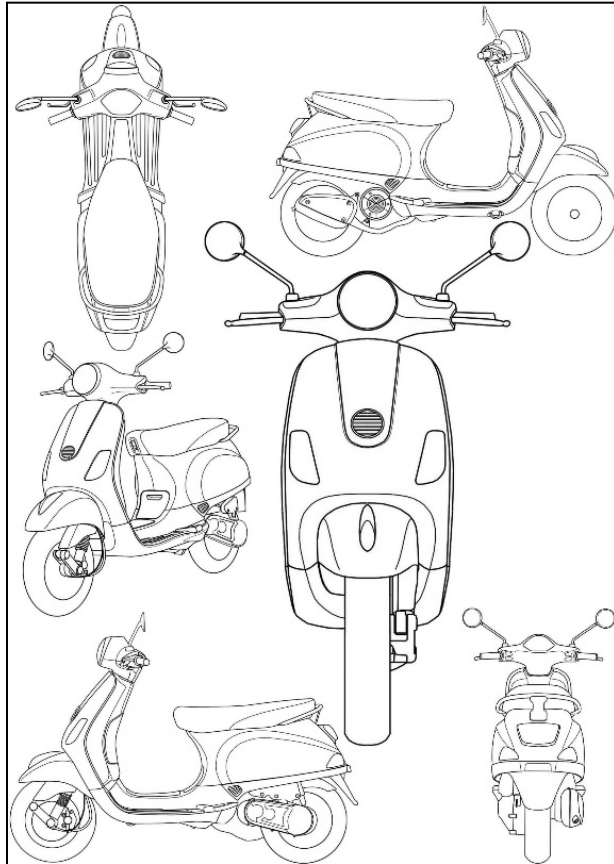
REJECTED

EUIPO - decision 000009295 C: Valid trademark

RELATIVE GROUND

- Absence of novelty, trademark anticipated by the model Revival of Znen

Piaggio's trademark produces a different overall general impression with respect to Community Design No. 1783655-0002, granted on 19/11/2010 for cycles and motorcycles (see Court of Justice of the European Union, T-219/18)



Piaggio

VS



Znen

EUIPO - decision 000009295 C: Valid trademark

ABSOLUTE GROUNDS

Presumption of validity of the trademark

«The Cancellation Division cannot be required to carry out a fresh examination, of its own motion, of the relevant facts – carried out by the Examiner – which may lead it to apply absolute grounds for refusal»

«It is for the Applicant to submit the arguments, facts and evidence that would call the validity into question»

EUIPO - decision 000009295 C: Valid trademark

ABSOLUTE GROUNDS

- lack of distinctive character

Failure to demonstrate the absence of distinctive character

«The claim that the contested EUTM consists of a common shape of a scooter that is widespread on the market during the relevant period is not supported by any relevant evidence»

EUIPO - decision 000009295 C: Valid trademark

ABSOLUTE GROUNDS

- lack of distinctive character

Failure to demonstrate the absence of distinctive character

(secondary meaning)

«A user who consults the Register cannot know whether the proprietor claimed acquired distinctiveness in response to a refusal and, if so, what was the content of the refusal».

«It follows that the existence of a refusal cannot be regarded as a ground on which to substantiate the lack of distinctive character of the contested EUTM»

EUIPO - decision 000009295 C: Valid trademark

ABSOLUTE GROUNDS

- shape necessary to obtain the technical result

Failure to demonstrate the technical function of the shape

«The applicant had neither identified the essential features of the sign nor indicated the technical function performed by those features»

EUIPO - decision 000009295 C: Valid trademark

ABSOLUTE GROUNDS

- shape necessary to obtain the technical result

Failure to demonstrate the technical function of the shape

«The applicant merely referred to a single feature defined as “essential” which, according to the applicant, consisted of the arrow-shaped front shield, which “suggests the idea of speed” »

«The argument that a certain shape feature evokes an “idea” in the consumer does not show how such feature would fulfil the alleged technical function»

EUIPO - decision 000009295 C: Valid trademark

ABSOLUTE GROUNDS

- shape that gives substantial value to the product

Failure to demonstrate the substantial function

«Although the shape in question may be regarded as attractive by part of the relevant public, in principle, it is considered that, when purchasing the goods, the consumer will consider not only the aesthetic characteristics of the shape of the product, but also other characteristics such as, for example, reliability and technical performance»

EUIPO - decision 000009295 C: Valid trademark

ABSOLUTE GROUNDS

- shape that gives substantial value to the product

Failure to demonstrate the substantial function

«The fact that the shape or other feature may be pleasing or attractive is not sufficient to exclude the trade mark from registration. If that were the case, it would be practically impossible to imagine any trade mark for a shape or other characteristic, since in modern business practice there is no product of industrial interest not undergoing study, research and industrial design before being launched on the market»

EUIPO - decision 000009295 C: Valid trademark

ABSOLUTE GROUNDS

- shape that gives substantial value to the product

Failure to demonstrate the substantial function

«Although the objective of the ground for refusal is to prevent the exclusive and permanent right conferred by a trade mark from being used to perpetuate, without any limitation in time, other rights which the EU legislature intended to subject to a validity term, such an objective does not mean that EU law on intellectual property does not prevent the coexistence of various legal protection titles»

EUIPO - decision 000009295 C: Valid trademark

ABSOLUTE GROUNDS

- Bad faith at the time of application

Failure to demonstrate bad faith

«In the assessment of bad faith what matters are the subjective intentions of the proprietor at the time of filing the contested EUTM, which translate into actions that can be put in relation to a conduct that departs from accepted principles of ethical behaviour or commercial and professional practices of fairness»

EUIPO – Cancellation Division

Decision No. 000009295 C of 21/12/2020

**Rejects the action and confirms the validity of
Piaggio's trademark**

17/2/2021 - Znen applied for appeal No. R0359/2021-5

...Ongoing

Questions?

Thank you!